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Milemarker CEO Kyle Van Pelt

TECHNOLOGY

## **Milemarker's 'Charter' Brings Outsourced CTO Service To Advisors**

**The service works with an advisors' tech stack to automate things like client onboarding and billing, and marks a new area of growth for the data analytics startup.**

Rob Burgess | Jul 25, 2023

Advisor tech startup Milemarker has launched a new business line called "Charter," which executives call a "fully managed" back-office support program and outsourced chief technology officer service.

According to Milemarker executives, Charter will connect with an advisory firm's existing technology and automate things like the onboarding of new clients, fee billing and creating automated revenue forecasts, as well as other functions. Not only will it seek to stitch the technology together, Charter will also run it for them without the need to rely in-house staff. The service was designed to cater to wealth management firms using technology platforms like Orion, Redtail, Wealthbox and eMoney.

Founded by former Carson Group marketing officer Jud Mackrill in 2021, Milemarker has evolved its data and business analytics service and in

March 2022 brought on CEO Kyle Van Pelt, whose resume includes stints at Skience, SS&C Advent and Riskalyze.

While they don't share their sales or user numbers, Milemarker oversees \$5 billion on the platform, Van Pelt said, adding the company remains self-funded with no immediate plans to raise outside money.

"We are proudly bootstrapped, but we are thankful to be on this journey by ourselves," said Van Pelt. "We're completely independently owned and operated."

The decision to offer advisors an ability to automate some routine functions was based on client needs, Van Pelt said, and marks a new area of growth for the company beyond its analytics and business intelligence service. Many RIAs struggle to find and hire the kind of technology-focused employees that might be required to update their back office functions. Van Pelt alluded to this coming shift in May during a session at the WealthStack conference.

"We just saw the challenge to not only find ... and keep great talent that can run their technology but having true confidence in those systems being run properly," said Van Pelt.

Milemarker has been piloting Charter with a handful of customers over the last several months, giving the firm the confidence to bring the service to the wider market.

"This allows firms to get technology expertise that runs these systems while also not having to worry about losing a lynchpin employee," said Van Pelt. "It also allows us to provide even more confidence in the data that they are getting analytics on and all of that stuff because we're setting up the systems properly."

Van Pelt said he has seen other similar programs from the likes of ultra-high net worth reporting firm Mirador, but what Charter provides is scale.

"What we keep hearing from a lot of the firms we're talking to is that they don't need yet another tool, they need people who know how to use the tools for them," said Van Pelt. "I do think you're going to see more of this do-it-for-you style (program) coming to market for advisors."

And while turnkey asset management programs will operate systems for advisors, they, in return, must use their software.

"I think this is a way for people who don't want to outsource the asset management and pay those fees of a TAMP to get sort of the same level of administrative support ... from them," said Van Pelt.

William Trout, director of wealth management for Javelin Strategy and Research, said advisors have typically valued turnkey solutions, but now “there’s more focus on being able to choose technology independent of product being more viable.”

“I think what we have seen is the ability to stitch together best-of-breed tools in a way that we didn’t have in the past,” said Trout. “It’s very possible to select the best-of-breed tools at no cost to user experience.”

Wally Okby, strategic advisor for wealth management for Datos Insights (formerly the Aite-Novarica Group), said outsourcing the technology role makes sense for a lot of smaller RIAs, whose focus is more on growth than operations.

Once those RIAs mature and reach a higher threshold of assets, Okby said, those services may stick.

“You still have implementation, time, integration … and then just ongoing updates and maintenance that need to take place,” said Okby. “I think it’s a good idea, but each wealth manager’s case is different and unique. It’s kind of hard to paint the picture with just one brush.”